



MEDIA RELEASE

Santa Barbara Sees Strong Growth in Key Tax Revenues

SANTA BARBARA, CA – March 16, 2012

Sales Tax Results for the Quarter Ended December 31, 2012

Santa Barbara received \$4.93 million in sales tax during the quarter ended December 31, 2011, which includes retail sales during the holiday season. The robust quarter was 9.7% over the same quarter last year. Santa Barbara's sales tax growth outperformed other cities in the state by 1.7%. Statewide, sales tax growth was 8%.

Sales tax is the second largest tax revenue in the General Fund. It helps provide funding for a variety of general city services, including Police and Fire services, Libraries, and Parks and Recreation programs. Results are received quarterly from the state, one quarter in arrears, so it is not until March that the City receives information about sales tax for the quarter ended December 31. Year-to-date, sales tax is up 9.1%, mirroring the strong performance in transient occupancy tax this year, which was also up 9.1% through December. Nearly \$9.73 million in sales taxes have been received this year.

During Council's Mid-Year Financial Review in February, staff revised sales tax growth projections from 3% to 4% for the remaining quarters of the fiscal year. Based on the December quarter results, sales tax could reach \$18.7 million by the end of the fiscal year, resulting in 6.6% overall growth over last year and approximately \$1 million over the adopted budget. Despite the strong performance this year, the year-end estimate is only slightly higher than the sales tax collected in fiscal year 2005. During the recession, Santa Barbara lost more than 10 years of sales tax growth, dipping below collections in fiscal year 2000.

Additional information on sales tax results can be found here:

http://www.santabarbaraca.gov/Files/Finance/Sales_Tax_FY_2012_December_Qtr.pdf

Transient Occupancy Tax (TOT) Collections in February 2012

Santa Barbara collected over \$831,000 in Transient Occupancy Tax, or bed tax, for the month of February 2012. TOT grew 11.9% compared to the same month last year as the strong growth trend continues through the slower winter months. The results are particularly encouraging since February of last year posted strong growth of 8.6% and there were the same number of weekend days in both February of this year and last year.

Over \$9 million in TOT has been collected this year, resulting in 9.6% overall growth. Staff expects to end the year at \$13.5 million, or 8.4% growth, which is approximately \$484,000 above the amended budget. The year-end estimate is based on year-to-date collections through February and a mid-year revised growth assumption of 6% for the remaining months of the fiscal year.

Additional information on transient occupancy tax results can be found here:

http://www.santabarbaraca.gov/Files/Finance/Transient_Occupancy_Tax_February_2012.pdf

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